

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF MICHIGAN
NORTHERN DIVISION

In Re:

LESLIE ANN BATSCHKE,

Case No. 13-21307-DOB

Chapter 13

Debtor.

Hon. Daniel Opperman

OBJECTION OF THE STATE OF MICHIGAN, DEPARTMENT OF TREASURY
TO DEBTOR'S CHAPTER 13 PLAN AND
PRE-CONFIRMATION MODIFICATION #1

The State of Michigan Department of Treasury (Treasury) through its attorneys Bill Schuette, Attorney General, and Moe Freedman, Assistant Attorney General, Objects to the proposed plan modification as follows:

1. The debtor filed his petition under Chapter 13 of the Bankruptcy Code on March 9, 2013.
2. On May 31, 2013, the Michigan Department of Treasury filed a Notice of State of Michigan Unfiled Tax Returns for the years 2011 and 2012.
3. Treasury has received returns for those years and expects to file priority tax claims for unpaid 2011 and 2012 individual income tax.
4. Further review by Treasury has revealed that the Debtor also owes substantial taxes for sales and use taxes that are being assessed on the Debtor through Michigan's Corporate Officer Liability Statute MCL 205.27a(5).

5. On August 9, 2013 Debtor filed Modified Pre-Confirmation Plan which proposes to pay Treasury \$1 on behalf of its priority tax claims and states: "This is the amount to be paid to this creditor by this plan. This amount is less the expected priority claim amount. This plan will not pay the entire priority claim and the balance of the claim shall not be discharged upon the successful completion of this plan."

6. Bankruptcy Code § 1322(a)(2) states that "The plan shall provide for the full payment, in deferred cash payments, of all claims entitled to priority under section 507 of this title, unless the holder of a particular claim agrees to a different treatment of such claim."


7. Treasury expects to file priority tax claims in this case and expects those claims to receive the appropriate treatment provided the Bankruptcy Code in sections 507(a)(8)(A) and 1322(a)(2) and Treasury has not agreed to a different treatment..

8. The existence of State of Michigan tax liabilities in unknown amounts renders this Honorable Court unable to determine whether debtor's proposed plan is feasible, and the proposed plan should not be confirmed.

WHEREFORE, it is prayed that this court deny confirmation of the Debtor's plan and that the State of Michigan, Department of Treasury, be granted such relief as is just and proper.

Respectfully submitted,

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Attorney General


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